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FOREIGN NEWS ON APPLES

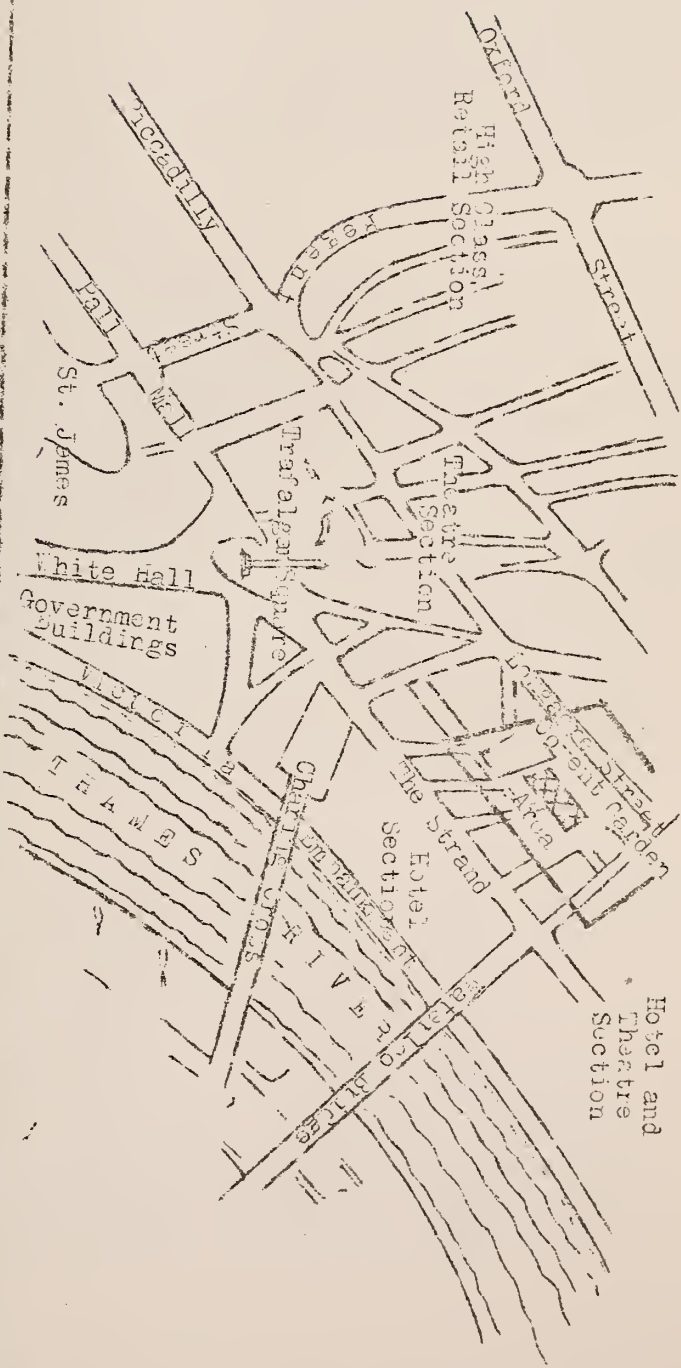
FRUIT DISTRIBUTION THROUGH LONDON

London is, and is destined to be for a long time, the most cosmopolitan fruit market in the world. It draws its supplies of fresh fruits from the entire globe, apples and grapes from Tasmania, Australia and New Zealand, traveling half way around the world. Some of these shipments go eastward through the Panama Canal, and others westward via the Suez Canal and Mediterranean. Other fruits brought great distances are the apples of our North Pacific Coast, the peaches, pears, plums and grapes of South Africa, grapes and plums from Argentine, oranges from California and bananas from Central America. The British are a world roaming people, and have long been accustomed to look to foreign countries for food supplies. British markets accordingly offer an outlet for almost every food product of merit that can be landed in an edible condition. This trade centers around Covent Garden.

No less than 10,000,000 people are living within a radius of 50 miles from the center of London. A great deal of wealth has long been centered here and fancy prices are paid for unusual fruits. It has been this buying power that made possible England's extensive glass house production as well as much of that in Belgium and Holland. The buying power embodied in London's millions is of a different character from that found in the thickly populated areas about Manchester and Liverpool. The former is largely dependent upon the country houses and professions, while the latter is tied up with the industries. For this reason London's buying power does not have the extreme fluctuations that are immediately attendant upon waves of industrial prosperity and depression.

The Four Wholesale Markets of London.

Of the four wholesale markets of London Covent Garden is the best known, the largest and the oldest. The other three are the Monument or Pudding Lane Market, Spitalfields Market and the Borough Market. The lower half of the accompanying sketch indicates the relative positions of the markets and the location of the docks of London.

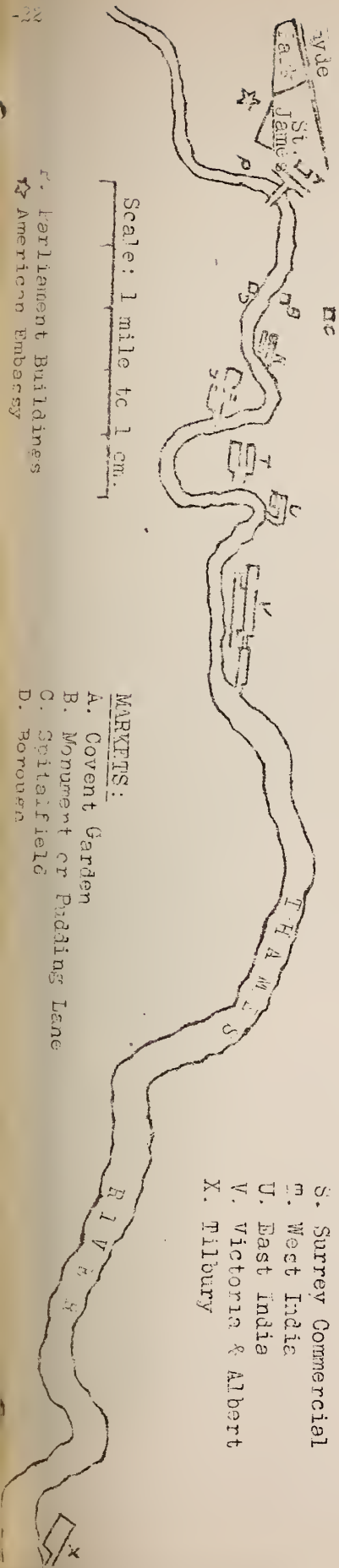


THE LOCATION OF LONDON'S DOCKS AND MARKETS.

- DOCKS:
- R. London Docks
 - S. Surrey Commercial
 - M. West India
 - U. East India
 - V. Victoria & Albert
 - X. Tilbury

- MARKETS:
- A. Covent Garden
 - B. Monument or Pudding Lane
 - C. Spitalfield
 - D. Borough

Scale: 1 mile to 1 cm.



Parliament Buildings
American Embassy

Both the Monument and Borough Markets are served by docks and are adjacent to rail connections. Spitalfields Market is in the vicinity of rail trackage, but Covent Garden is served neither by rail nor water, necessitating the haulage by motor truck or wagon both in and out of the market.

Covent Garden handles all fruits and flowers in volume, being the center of the Kingdom for fancy specialties; Spitalfields started as a potato and vegetable market but now handles all of the fruits that commerce carries to the common people; The Monument Market has been developed around Mediterranean fruits, being a center for Spanish oranges with the side lines of dried fruits. Recently it has been coming to the front with many fresh fruits such as apples and grapes. The Borough Market on the south side of the Thames River has been developed around both English and imported fruits.

Covent Garden Market.

Covent Garden derives its name from an early Convent whose garden occupied this area. The ecclesiastical thread has been carried down to the present by the later establishment of the parish of St. Paul, whose edifice stands today, with its burying ground, surrounded by the bustle of activities that goes with the principal wholesale market center of a world metropolis. The establishment of the church came with the crown grant of the land to the Duke of Bedford, which grant and subsequent leases by the Duke, carried with it the exclusive marketing privilege for a given area, at that time removed from London, but now in the heart of the city. These privileges have carried down to the present day and in some measure account for the principal wholesale distributing point being kept in a most inefficient location, removed from both rail and water transportation. The upper portion of the accompanying sketch shows Covent Garden's position with relation to London's "Fifth Avenue" and "Broadway" and, the lower half of the sketch, its distance from the principal shipping activities. The financial center of London lies between "c" and "b" in the lower half of the sketch.

Covent Garden in its present form represents a strenuous endeavor to do a 20th century business with 18th century facilities. Fruits grown, packed and transported with all the modern mechanical and scientific agencies known are here packed into the cellars and the warehouses on the backs and heads of men, and when sold, packed out again to waiting trucks in the same primitive manner. Like the stockyards and packing houses of Chicago, if it was to be designed and laid out to meet present day requirements, Covent Gardens even in its very disadvantageous location, could be greatly improved for efficiency and economy in operation. But it has grown step by step from the time when English farmers brought in their products for Westminster's greengrocers and housewives, until now the trading area has spread over many blocks outside the original open trading court.

Through the patronage of the Duke of Bedford Covent Garden became a social center when America was in its early colonial days and this has persisted to the present day, as may be seen from the theatrical and hotel custom which radiates from the Covent Garden Opera House, in which grand opera is still produced. In season this theatre brings society's elite next door to Floral Hall, the imported fruit center of "The Garden" which was originally built as a ball room. The length of time this great incongruity persists will probably be determined by the rate of increase in rents if not by the Corporation of London.

Broadly speaking, Covent Garden is characterized by two types of distribution. In the original court, which is now largely covered with various types of buildings used for stalls, and in closely adjacent property, the greengrocers, fruiterers, florists and, in some instances, consumers, still come for their early morning buying. They bring their barrows, carts and trucks and each morning before six o'clock parking them in the streets leading into the market from every direction. Each buys his cabbages, potatoes, apples or flowers, tells the wholesale dealer where his conveyance is parked and a porter takes the box, bag or basket on his head, back or in his barrow to the appointed spot. Then the retailer makes off with his daily supplies before the thoroughfares are crowded and in time to open his shop.

The men who early took their places in this court as representatives of the English farmers, and whose descendants and successors are now the commission merchants and importers, soon found that they needed warehouses to hold supplies for their early morning trade. Property in the direction of Long Acre Street and beyond, was acquired for this purpose until now a large area is given over to warehousing.

Gradually a new phase of distribution took form. These men developed a business supplying their neighbors as well as retailers, and reaching out to foreign countries for new and larger supplies. Many now have their major interests in supplying the smaller wholesalers, both in London and provincial cities. This business is centered between Covent Garden and Long Acre Street and it starts up each day after the pulse of the smaller trade begins to weaken, remaining active until about four in the afternoon.

At the present time the first trade described is mostly of a merchandising character and the latter a commission business. Both types and characters merge, especially when English grown produce is being handled, and there are no closely drawn lines as many merchants engage in both activities.

Covent Garden is commonly known as a "Private Treaty Market". Fruits are hauled by truck from the dock or railway yards to the warehouses in the vicinity of the area, and samples are shown in their sales premises as buyers go from one to the other and deliveries are made from stocks. Many sales are also made to country customers over the telephone. Large numbers of dealers from the provincial cities make a practice of visiting London once a week for fancy fruits and while there make the rounds picking up bargains or much needed supplies.

The auctions in Covent Garden are held in Floral Hall which early became a center for imported fruits. In order to dispose of their imported perishables in a hurry, each merchant was accustomed to conduct his auction sale in this building and buyers would go from one sale to another as many as half a dozen sales proceeding at the same time. This practice still persists to a certain extent although some merchants have converted their space in the building to a trading area and show place for private treaty sales.

Although being encroached upon by the development of other markets in London and outside points, such as Southampton from primary distribution Covent Garden still maintains a major position in London distribution. Regardless of what the future may hold for it, American fruit producers should regard it as a great merchandising center and should see that its many capable salesmen receive their supplies in the most economical manner possible.

The Monument Market.

Its proximity to the wharves on the Thames, together with the general character of its marketing activities developed the Monument Market for the distribution of perishables landed from the small steamers which came up the Thames from Mediterranean points, the Azores, Canary Islands and Channel Islands. It has also grown in popularity as a primary point of distribution of Spanish oranges and lemons until now its merchants claim the sale of 80% of the Spanish citrus fruit that comes to London. It also handles a heavy proportion of the Jaffa oranges and many grapes, American and Canadian apples and other fruits.

This market is the most important auction center in London. Four firms of brokers sell alternately in the same auction room, as in Glasgow, Liverpool and Manchester, while a fifth has private auction facilities in premises nearby.

American apples discharged at the various docks of London are lightered to the sheds of nearby wharves. Samples are removed to the private showrooms of the brokers, situated in the immediate vicinity of the saleroom and sales are conducted in the usual manner without showing samples in the saleroom at the time of the sale. Sale days vary with the arrival of cargoes, being advertised to the trade throughout Great Britain.

As soon as the apples are sold they are delivered by truck to the railway tracks in case of sale to provincial trade, or to the premises of the wholesaler if made in London.

The advantages of the Monument Market are the concentration of wholesale buying on goods offered for sale and in the saving of haulage through the congested West End district on goods not destined for ultimate sale in that district. As a point of primary distribution in the London area it can safely be used by American shippers, as the heavy supplies of Spanish oranges insure a good audience of buyers, wholesalers in all of the London markets as well as from provincial towns looking to these sales for regular supplies of oranges.

Spitalfields Market.

This market has developed from a small trading center for vegetables to one of real importance for fruits as well. Many of the costermongers and greengrocers of the populous East End of London visit this market each morning for their daily supplies. The heart of the market is made up of a steel-skylight structure wherein many wholesalers have their stalls. This building is owned by the London Corporation. The Market's growing business has caused wholesalers to secure warehouse facilities in adjacent premises so that the market now reaches into several blocks. The Corporation of London has secured surrounding property and has plans for greatly enlarging the market.

While most of the supplies of imported fruits handled by the wholesalers at Spitalfields are bought in markets such as Covent Garden, Monument, Borough or outside points, there are some merchants who receive consignments from foreign countries and others who buy from sources outside the country. Some Covent Garden firms have their branches here, finding an outlet for classes of goods that the discriminating trade in Covent Garden would not want.

Selling is done mostly by private treaty. Such auction sales as are held represent mostly the disposal of consignments larger than any one commission merchant can handle. They are held on the merchant's premises and are not a feature important to American shippers.

The Spitalfields market is important to American producers only as a fast developing jobbing center in a populous district which is facilitating the movement of fruits to consumers and thereby making greater outlets. As such it should not attract consignments but should stand on a merchandising basis.

Borough Market.

This market also caters to the populous East End of London. It is on the south side of the Thames within easy reach of the wharves. Apples are lightered from the docks to the warehouses on the river side, from which they are sold, both by advertised auction and by private treaty. As far as the handling of American apples is concerned, only a few firms feature as primary distributors and these do so through their private auction sales.

As the market is not distant from the Monument Market, its position should make it share in the latter's claim to being the most favored primary distributing point in London. The smallness of supplies at the Borough Market, however, does not bring the collective buying power of the Monument Market and this, with the lack of centralization of effort and development has caused it to be overshadowed by its near neighbor.

Dock Facilities in London.

The sketch on page 2 shows that London is well supplied with docks. Most of these docks, however, are under the great disadvantage of being located at considerable distance from the markets. Those at which most of the apples are discharged are Surrey Commercial (S), Victoria and Albert and King George (V) and Tilbury (X), four, seven and twenty-three miles,

respectively, from Covent Garden. Tilbury is used more for Australian and New Zealand apples than for American, while Surrey Commercial is heavily used for Nova Scotian fruit, and by some direct refrigerator ships from Pacific Coast ports.

Victoria and Albert are used for most of the arrivals direct from Pacific Coast ports. Many London consignments from New York are discharged at Southampton, about eighty miles to the southwest and arrive in London via rail.

Most of the apples sold at auction in the Monument Market are discharged from the ships to lighters and are carried to wharves not distant from the market (B) where they may be inspected by prospective buyers. Lighters also carry apples to warehouses in the vicinity of the Borough Market. Fruit being sold through Covent Garden is mostly carted to the warehouses in the Covent Garden area. Very little is sold ex dock.

Cold Storage Facilities.

Cold storage facilities suitable for the storage of apples are situated at the Victoria and Albert docks (V); at the Cannon Street station, slightly above the Monument Market (b); and at the Nelson Wharf on the South side of the river several blocks above the Borough Market (D). The facilities at the Nelson Wharf are strictly modern and well looked after. Although this storage is not directly on trackage, fruit can be transferred directly from lighters into the storage by electric cranes. Temperatures are held at 34° for fruit, but the management is in a position to maintain temperatures to suit the customer provided reasonable quantities are received.

Cold storage rates in London are as follows:

	Boxes.	Barrels
Cold Storage, first 28 days	8.8d. (17.6¢)	2/3.7d. (55.4¢)
" " each week thereafter	2.0d. (4.0¢)	6.4d. (12.8¢)
Lighterage from Victoria & Albert Docks	3.0d. (6.0¢)	9.7d. (19.4¢)
Cartage " " " " "	3.3d. (6.6¢)	10.3d. (20.6¢)

Demand and Competition in Apples.

During the autumn months London is more affected by English and Continental production than are the markets in the North of England. In years of good production this is a serious factor until after December. Canadian apples come into competition with American apples during the entire season although their influence is not greatly felt after February. From February 1st until April 1st American apples make up the principal supply. The first Tasmanian and Australian apples usually come on the market late in March or during the first half of April, but their quality does not allow them to make serious competition until well toward the month of May. It frequently happens that American boxed apples of the previous year's pack sell for higher prices than the new Australian crop.

The most prized variety in London is the Cox's Orange Pippin, of which the United States furnished a negligible quantity. The Newtown and Albemarle have always been favorite varieties in London and it is the market in which Californian Newtowns are most appreciated. Of the red varieties, the Jonathon is the most popular, with York Imperial, Spitzenburg, Arkansas Black, and Winesap finding ready demand. The better red varieties are growing in popularity every year.

London will not take our large sizes as the North of England and Scotland. The best sizes for London are 175, 188, 200 and 216. The familiarity of the people with English dessert apples of small size and the large number of poor people who want to buy five apples to the pound no doubt account for this preference.

London a European Center for Fancy Fruits.

Many wholesale merchants throughout the Kingdom regularly make a weekly trip to London to buy such fancy fruits as hot house grapes and peaches, grapefruit, pineapples, etc. Incidentally they buy any lines of other fruit in which bargains may be found. Continental cities also look to London merchants for supplies of those fancy fruits, of which they can use but small quantities at a time. The relatively small demand as yet existing has caused London to be the grapefruit center of Europe, a position it will hold until grapefruit is used in greater quantities.

Most unusual fruits are to be seen in Covent Garden, custard apples, mangoes and winter peaches, plums and grapes from the Southern Hemisphere are a regular feature each year.

London has not been taught to appreciate the more aristocratic varieties of American apples such as the Delicious.

Oranges and Grapefruit.

London's likes in oranges are not different from other British cities and are supplied from the same sources. It is the heaviest user of California Valencias east of the Atlantic. The development of trade in this one season, however, offers the only possibility worth mentioning for American oranges in London, although small trade in Florida oranges may be built up if the fruit can be landed with a good sugar content during November and prior to Christmas, while Spanish oranges are still sour.

London has the brightest grapefruit prospects of any market in Europe. Consumption is growing very rapidly, the American population during the summer being a great stimulus. The receipt of high quality fruit from Florida is another great aid in popularizing its use with the British people. The greatest handicap to its spread is the old English custom of eating breakfasts without fresh fruit.

Marketing Costs in London.

In Covent Garden the commission rate is 5% and 6%.

Consolidated rates for handling charges are 1 shilling (24¢) per box and 2 shillings per barrel of apples, and 1s. 3d. (30¢) per case of oranges.

In the Monument Market the basis or "Spot" commission is 2%, or 6% on direct shipments. The consolidated handling charges are from 1s. (24¢) to 1s.4d. (32¢) on boxes and 2s. (48¢) to 2s.6d. (60¢) on barrels of apples.

Improving the Distribution of American Apples in London.

A great economic saving can be made by limiting consignments to Covent Garden. Not only will this eliminate carting and rehandling those supplies that are not actually required for wholesale distribution in this congested area, but price levels can be established more quickly by concentrating supplies at auction centers. Southampton and the Monument Market are the logical points to concentrate consignments to attain this end.

Southampton has the advantage of being able to cater to the buying centers of the South of England and the Midlands among whom the market has established its popularity. In addition it always has London in the background. The Monument Market has the advantage of accessibility to many small joblot buyers who would not buy directly from Southampton, but who aggregate a tremendous demand for all grades of fruit. The centering of the orange trade at this spot is also a big factor in focusing buying demand. Both of these markets should be used as long as consignment marketing is adhered to.

Covent Garden could well be treated as a large merchandising center, just as Birmingham is used at the present time. The concentration of buying power at Southampton and in a single London auction saleroom would do much toward removing the sluggishness of this market as well as to eliminate much inefficiency that is now apparent.

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